

ARTICLE 5 - SCHEDULING HOG SHIPMENTS

Section 5.01

All Market Hogs purchased hereunder shall be delivered by Seller, freight prepaid by Seller (subject to the provisions set forth in Section 5.03 below), to slaughter facilities, designated from time to time by Buyer. Title to and risk of loss of the Market Hogs shall pass from Seller after weighing of the carcasses at the hot weight scale at such slaughter facility. For purposes of this Contract, delivery means the unloading of the Market Hogs with the freight charges paid by Seller from Seller's Designated Production Facilities. Deliveries of Market Hogs shall be made as specified by Buyer, including deliveries on Saturdays and/or Sundays.

Section 5.02

Seller shall use its best efforts to ship and deliver to Buyer, the quantity of Market Hogs, including Excess Market Hogs, in accordance with the schedule attached as Exhibit "A". Seller shall notify Buyer at the beginning of each fiscal quarter, of the projected quantity of Market Hogs (including Excess Market Hogs) to be shipped and delivered by Buyer, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If such notification does not conform with the schedule attached as Exhibit "A", then such notification shall include the reason for any variance from such schedule, the actions being taken by Seller to remedy any such variance, and when Seller expects to resume deliveries in accordance with such schedule. If Seller fails to ship and deliver the Market Hogs (including Excess Market Hogs) to Buyer in accordance with the schedule attached as Exhibit "A", for a period of 13 consecutive weeks, then Buyer may, in addition to all other right and remedies that Buyer may have, price the Market Hogs (including Excess Market Hogs) at the lower of (i) the Contract price, as determined under the first paragraph of Section 7.01 (by way of clarification, this provision shall specifically apply to the Excess Market Hogs, notwithstanding that the Contract price of Excess Market Hogs would otherwise be determined by the second paragraph of Section 7.01), or (ii) the base cash price, per carcass cwt., as offered by Buyer at its plant on the day of delivery of the Market Hogs (and/or the Excess Market Hogs), plus or minus (as the case may be), the Carcass Merit Adjustment. Further, if Seller fails to ship and deliver Market Hogs (including Excess Market Hogs) to Buyer, in accordance with the schedule attached as Exhibit "A", for a period of 26 consecutive weeks, then Buyer may, in addition to all other rights and remedies that Buyer may have, terminate this Contract.

In addition to the above, Seller shall furnish Buyer weekly, before 12:00 noon on Thursday, an estimate of the quantities of Excess Market Hogs to be shipped during subsequent two (2) week period. Further, Seller shall notify Buyer of the estimated number of Market Hogs to be delivered on a daily basis before 12:00 noon on Thursday previous to the week of delivery, specifying the estimated number of Market Hogs to be delivered each day of the week, Monday through Sunday (if Saturday production is not scheduled for the designated slaughter facility, then no deliveries shall be scheduled for Saturday, and if Buyer does not require deliveries on Sunday for Monday production at the designated slaughter facility, then no deliveries shall be scheduled for Sunday). Such daily estimate shall include, and specifically identify the number of, Excess Market Hogs to be delivered. Following receipt of such estimate, Buyer shall give instructions as to where such deliveries shall be made.